

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

61

May 13, 2003

FROM: **MARK H. UFFER**, Director
 Arrowhead Regional Medical Center

**SUBJECT: AMENDMENT NO. 2 TO MASTER EMPLOYMENT AGREEMENT NO. 94-150
 FOR HOME HEALTH REGISTERED NURSES**

RECOMMENDATION: Approve Amendment No. 2 to Master Employment Agreement No. 94-150 for Home Health Registered Nurses to increase the mileage reimbursement rate from 0.21 cents to IRS allowable rate or 0.36 cents, whichever is greater; authorize Medical Center Director, or designee, to execute amendments to Master Employment Agreement.

BACKGROUND INFORMATION: Approval of this board item will increase the mileage reimbursement for home health nurses to the current IRS allowable rate or 0.36 cents per mile, whichever is greater, aligning the rate to that of the county employee and other area home health agencies.

In 1993, the mileage reimbursement rate was allocated at 0.21 cents/mile for the Medical Center's Home Health contract staff. This reimbursement was in addition to their per-diem rate of pay. In 1997, the home health contract staff's mileage reimbursement rate was reviewed, but maintained at the same rate of 0.21 cents/mile.

The Medical Center justified paying home health staff members 0.21 cents per mile because at that time home health contract staff received a per diem rate which was higher than most home health agencies in the San Bernardino County. This premise is no longer the case. Recently, the Medical Center's Home Health RN Management Team performed an informal compensation survey and found that the Medical Center per diem rate is now comparable or below other home health agencies in the County. In addition, all the home health agencies surveyed pay their home health staff members 0.34 to 0.36 cents per mile.

After reviewing the data collected by the Home Health Management Team, the Medical Center's Human Resources Department verified that there was sufficient justification to recommend an increase to the home health staff member's mileage reimbursement rate. Some of the justification includes: Current compensation (per diem and mileage reimbursement) is not in line with other area home health agencies; lower compensation packages could potentially reduce interest in the Medical Center's home health positions, thereby causing recruitment problems; the County's mileage reimbursement rate for regular County employees is 0.36 cent/mile, compared to 0.21 cents/mile for home health staff; extensive driving to all parts of the County is a requirement of the staff member's duties; rising costs such as gas, automobile repairs, and insurance can be a hardship to employees.

Page 1 of 2

Record of Action of the Board of Supervisors

61

**BOARD OF SUPERVISORS
AMENDMENT NO. 2 TO MASTER EMPLOYMENT AGREEMENT NO. 94-150 FOR HOME
HEALTH REGISTERED NURSES**

May 13, 2003
Page 2 of 2

61

Lower compensation packages, including mileage reimbursement can restrict the Medical Center's ability to attract and retain qualified medical staff. When the Medical Center is forced to use contract vendor services due to a lack of staff, the cost is approximately 20%-40% higher than when the Medical Center's Home Health department performs these services. The Medical Center is responsible for this additional cost when the patient doesn't have private insurance.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (W. Andrew Hartzell, Deputy County Counsel) on April 29, 2003, Human Resources (Margaret Smith, Human Resources Officer II) on April 21, 2003, and HSS Administration (Beatriz Valdez, Administrative Analyst) on May 1, 2003.

FINANCIAL IMPACT: Home Health nurses drive a collective total of approximately 200,000 reimbursable miles annually. Amendment No. 2 to Master Employment Agreement No. 94-150 for Home Health Registered Nurses will result in additional mileage reimbursement cost of approximately \$3,750 for the remainder of FY 2002/03. This amount is available in the Medical Center's FY 2002/03 budget. For FY 2003/04 the increased mileage reimbursement rate will result in an additional amount of approximately \$30,000 for a total approximate amount of \$72,000, and will be included in the FY 2003/04 proposed budget.

COST REDUCTION REVIEW: The County Administrative Office has reviewed the agenda item and recommends approval because the services provided by the Medical Center's home health nurses are essential to the health and welfare of the patients it serves.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Mark H. Uffer, Director, Arrowhead Regional Medical Center, 580-6150

61